

FISCAL NOTE

Bill #: SB0019

Title: Revise boiler inspector licensure

**Primary
Sponsor:** Ken Miller

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
-------------------	------	-----------------------------	------

Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	(\$121,563)	(\$121,522)
Revenue:		
State Special Revenue	(\$121,563)	(\$121,522)
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Professional & Occupational Licensing Division:

1. There would be a reduction of \$22,000 in revenues collected in both FY 2000 and FY 2001. It is estimated that of the 1,842 currently licensed low-pressure boiler engineers, 1,000 of those would not be required to have a license because they operate hot water boilers. Renewal fees are \$20 for a reduction in renewal revenue of \$20,000. It is estimated that 50 new licensees a year would not be required to have a license because they operate hot water boilers. The fee for a new license is \$40 for a reduction in new licensee revenue of \$2,000.
2. A 0.75 FTE, grade 9 licensing technician position, would be eliminated. The reduction in personal services, including benefits, for position number 23902 would be \$18,668 in FY 2000 and \$18,545 in FY 2001.

3. Operating expenses would be reduced by \$3,332 in FY 2000 and \$3,455 in FY 2001. The operating costs include postage and mailings, printing costs, and indirect costs associated with the reduction in licensees and the FTE.

Building Codes Division:

4. It is estimated that 2.00 FTE, grade 14 boiler inspector positions, would be eliminated. The reduction in personal services, including benefits, for position numbers 04501 and 04502 would be \$70,053 in FY 2000 and \$70,012 in FY 2001.
5. Operating expenses would be reduced by \$29,510 in FY 2000 and FY 2001. The operating costs include travel and indirect costs associated with the reduction in inspections and FTE
6. Revenues collected for support of the boiler inspection program are based on boiler inspection and boiler operating certificate fees, which are established in 50-74-219, MCA. Revising the fee structure for multiple boilers in the same room and the provisions for required boiler inspection interval and boiler operating certificate period from one to three years are estimated to reduce annual boiler inspection program revenues by approximately \$99,563 in FY 2000 and FY 2001.
7. Approximately 4,827 boiler operating certificates were issued in FY 1998, with 1,846 of the 4,827 being inspected by boiler inspectors. SB19 will reduce the number of boiler inspections performed by boiler inspectors to approximately 600 annually, with a projected 30% of the total being a "multiple boilers in the same room" situation.
8. Some boilers will need to be inspected initially on an interval of less than three years in order to adjust the workload to allow inspection of one-third of the boilers annually.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE	(2.75)	(2.75)

Expenditures:

Personal Services	(\$88,721)	(\$88,557)
Operating Expenses	<u>(\$32,842)</u>	<u>(\$32,965)</u>
TOTAL	(\$121,563)	(\$121,522)

Funding:

State Special Revenue (02)	(\$121,563)	(\$121,522)
----------------------------	-------------	-------------

Revenues:

State Special Revenue (02)	(\$121,563)	(\$121,522)
----------------------------	-------------	-------------

TECHNICAL NOTES:

Building Codes Division:

1. Approximately one-third of all boilers in the state are not insured and require inspection by state boiler inspectors with the remaining two-thirds of the boilers inspected by special boiler inspectors employed by insurance companies. There are approximately 4827 boilers in the state.
2. Repeat inspections, for an additional inspection fee, will be required for boilers found to have safety compliance problems to assure such boilers are safe to operate for three years between inspections.